

## **RALEIGH-DURHAM AIRPORT AUTHORITY**

### *MINUTES*

*June 20, 2002*

Chairman Gibbs presided. Present: members Clancy; Sparrow, Teer; Toler and Winston. Absent: members Lane and Parker. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Deputy Director, Facilities Engineering & Maintenance Pittman; Deputy Director, Finance, Business & Administration Gill; Major Capital Improvements Program Director Powell; Director, Customer Service & Organizational Support Damiano; Finance Director Barritt; Senior Program Manager Edmondson; Facilities Engineering Manager Jewett; Facilities Program Manager Cayton; Facilities Program Manager Quesenberry; Parking Manager Scialdone; Maintenance Manager Fulp; Properties & Insurance Officer Quinn; Emergency Services Manager Thompson; Law Enforcement Manager Waters; Information Technology Manager Schiller; Communications Manager Hamlin; Ground Transportation Coordinator Nye; Financial Analyst Golden; Training Supervisor Bell; Business Development Officer Hairston; Visitor Services Supervisor Creech; Internal Auditor Jordan; GIS Manager Dana; Environmental Manager Gilkinson; Environmental Technician Rebar; Communications Specialist Dunton; Information Technology Technician Craig; Field Maintenance Supervisor Thompson; Parking Office Manager Albert; Executive Assistant Mitchell and Attorney Tatum.

Guests: Steve Cornell; Parsons Aviation; Vicki Hyman and Richard Stradling, The News & Observer; Tom Lawrence, WRAL-TV; Jay Paulis, The Douglas Group; Thad Woodard; Ben Taylor; Rev. Dennis Stiles; miscellaneous taxicab operators and drivers.

**APPROVAL OF AGENDA** – There were no changes to the agenda, and it was approved as submitted.

**APPROVAL OF MINUTES** – There were no changes to the minutes of the May 16, 2002 meeting, and they were approved as submitted.

**CHAIRMAN’S COMMENTS** – Chairman Gibbs had no comments at this time.

**GROUND ACCESS COMMITTEE** – Member Clancy reported the committee met on June 6, 2002 and discussed the following item:

1. *Joint workshop of Ground Access Committee, Triangle Transit Authority steering committee and PBS&J, to review and discuss the purpose and need of the Airport Rail-Link Study.* Member Clancy reported the Ground Access Committee, together with members of the Triangle Transit Authority steering committee met with representatives of Post, Buckley, Schuh & Jernigan, Inc. (“PBS&J”), the consultant selected to conduct the Study on June 6, 2002 at the RDU Center of the Airport Authority. The workshop was held to discuss the purpose and need of the Airport Rail-Link Study. Mark Boggs, project manager for the Study, presented a PowerPoint presentation in which he provided an overview of the Study, proposed goals of the Study, and an explanation of the Study area. The Committee discussed in length the opportunities and constraints of an airport-rail link. Objectives and measures of effectiveness were outlined. In addition, different types of potential technology alternatives were discussed (e.g., people movers; monorails, advanced bus, etc.) and examples of each were given. The next meeting will be held July 11, 2002.

The Authority received the report and no further action was required.

**OPERATIONS COMMITTEE** – Member Sparrow reported the committee met on June 19, 2002 and discussed the following item:

1. Staff recommendation regarding possible revision and improvement of the taxicab service provided the Airport. Ground Transportation Manager Odom reported on the additional information regarding the stand manager concept. During the Operations Committee meeting held May 15, 2002, staff made a recommendation to change the structure of the taxicab system to a Stand Manager concept. The Committee asked staff to contact airports that have this structure in place to get additional information. Staff contacted its consultant, Dr. Mundy, to provide a list of the airports nationwide that have some variation of the Stand Manager concept in place. Staff developed a questionnaire and contacted each airport to discuss its operation. The following airports were contacted: Portland International, Maine; Port Columbus International, Ohio; Washington Dulles, Washington, D.C.; San Jose International, New Mexico; Norfolk, Virginia; Seattle-Tacoma, Washington; and Tampa International, Florida. Each of these airports have taken the Stand Manager concept and customized it to fit its operational needs. Ground Transportation Manager Odom summarized the information received from each airport. The overall responses received were very positive and demonstrated that the Stand Manager concept works well and improves customer service. The airports are now managing concession agreements, as opposed to operating a taxicab business. Authority staff is preparing a cost analysis of the Stand Manager concept that will demonstrate the reduction in expenses to the Authority if a new system is implemented. The expense to the Finance Department will be dramatically reduced. Dispatching will be taken over by the Stand Manager and that personnel expense to the Authority will end. Those are the two largest expenses that will be reduced. If the Stand Manager concept is adopted, the next step is notification of all taxicab operators and drivers of the structure change. All requirements for replacement vehicles will be immediately suspended. The next phase will consist of developing a Request for Proposals, a Concession Agreement and preparation of drafts of all modifications and revisions necessary to Chapter 4 of the Ordinance and the Rules and Regulations document that will become part of the Concession Agreement. This phase will also consist of the development of an implementation plan and schedule that will require careful coordination with all parties. At the conclusion of the second phase, staff will provide a report to the Committee outlining the new standards, draft changes to the Ordinance and Rules and the implementation plan and schedule. The Committee recommended approval of a structural change in the taxicab system to the Stand Manager concept and to direct the management and staff to move forward with the development of a competitive Request for Proposals with all associated Concession Agreements, draft revisions to the Ordinance and Rules as necessary, and an implementation plan with a schedule and to seek additional professional assistance as necessary.

Member Sparrow made a motion, seconded by member Winston, to approve a structural change in the taxicab system to the Stand Manager concept and approve and direct the management and staff to move forward with the development of a competitive Request for Proposals with all associated Concession Agreements, draft revisions to the Ordinance and Rules as necessary, and an implementation plan with a schedule and to seek additional professional assistance as necessary. Adopted.

**LAW, FINANCE & PERSONNEL COMMITTEE** – Chairman Winston reported the Committee met on June 20, 2002 and discussed the following items:

1. Consideration of a staff request to reclassify a current vacant Information Systems Technician position to a Network Administrator Position. Deputy Director Finance, Business & Administration Gill reported on a request to reclassify a current vacant Information Systems Technician position to a Network Administrator Position. At the time the Pay and Classification Study was completed in the fall of last year, the Information Systems Technician position was filled and properly graded. On January 9<sup>th</sup> of this year, the incumbent retired. Upon review of the information technology function within the Authority, staff is recommending that the operation focus on two primary areas, hardware and networks. The Network Administrator would manage the technological communications within the organization, oversee security administration of the network and actively participate in the research, evaluation and implementation of new technologies related to the network and communications infrastructure. Creation of the Network Administrator position would compliment the Information Systems Specialist who will remain responsible for hardware installation, troubleshooting and desktop support. An increase to the pay grade is requested to support the higher level of experience and education required in the position's job description. The Committee recommended the current vacant Information Systems Technician position be reclassified to a Network Administrator position.

Member Winston made a motion, seconded by Member Toler, to reclassify a current vacant Information Systems Technician position to a Network Administrator Position. Adopted.

2. Consideration of a staff request to partially restructure the organization of the Parking Department and reclassify several positions. Airport Director Brantley reported on the recent changes in management in the Parking Department as recommended by Walker Parking Consultants/Engineers, whom were engaged to perform an assessment of the Parking Department. The consultant recommended restructuring the organization, as well as changing certain duties and responsibilities. The consultants were asked to prepare both revised job descriptions and operating procedures in order to provide a platform on which to structure the operation going forward and train the personnel to properly operate the business. Currently the parking unit organizational structure consists of the following twenty-five (25) Authority employees with pay grades in parentheses: manager (Grade 33), assistant manager (Grade 25), office manager (Grade 21), six (6) supervisors (grade 23), four (4) assistant supervisors (Grade 19), eight (8) cashiers (Grade 15) and four (4) equipment maintenance technicians (Grade 22). Leased personnel provided by a temporary agency (Talent Source) staff most of the cashier shifts and also perform the nightly vehicle inventory. The proposed unit reorganization elevates Parking from a department of the Operations Division to a standing division (one of six) reporting directly to the Airport Director. The unit head will be titled the Director of Parking (Grade 34). Immediately below that level will be the Parking Administration Manager (Grade 29) and the Parking Equipment Manager (Grade 27). Reporting to the former will be a Senior Parking Clerk (Grade 24), who in turn will supervise a Parking Clerk (Grade 22), and eight (8) Supervisors (Grade 23), who in turn will supervise eight (8) Lead Cashiers (Grade 17) employed by the Authority and the leased personnel. Reporting to the latter will be a Lead Equipment Technician (Grade 25) and two Equipment Technicians (Grade 22). An Administrative Support Assistant 11 (Grade 17) position also will report to the Director of Parking. The personnel complement will total twenty-five (25) as at present. There will be no change in total positions. Two part-time positions will comprise one of the Supervisor positions. In most cases, most employees will either

maintain their current position titles and pay grades or possible advance to a higher level position. Internal recruitment within the Authority will be undertaken first for positions for which there is not a fully qualified candidate now in the unit. Positions not filled from internal recruitment will be opened to external recruitment. All current employees will be permitted to apply and be considered for any and all positions in which they are interested. The Committee recommended partially restructuring the organization of the Parking Department and reclassifying several positions.

Member Winston made a motion, seconded by Member Toler, to partially restructure the organization of the Parking Department and reclassify several positions. Adopted.

3. Consideration of a possible change in the requirements for posting security for payment of tenant financial obligations. Airport Director Brantley reported on the proposed changes to the requirements of tenants to post security for payment of their financial obligations. In August 1982 the Authority adopted Accounts Receivable Procedures, which define when financial obligations owed the Authority by RDU tenants become in arrears and the steps to be taken to address the delinquency, and also establishes actions that tenants must take to reestablish an account with the Authority. The policy requires that airlines that begin RDU service must post security for payment of landing fees, terminal rents and other charges unless specifically exempted from that requirement by action of the Authority. Acceptable forms of security are a payment bond, letter of credit or cash deposit in an amount equal to 90 days estimated charges. In December 1989 the Authority amended the Procedures to address an issue relative to airlines that file for reorganization under Chapter 11 of the bankruptcy statutes and continue operating but no longer are able to qualify for a bond or letter of credit and can't afford to post a 90-day cash deposit. Thereafter, such carriers have been required to pay cash in advance covering at least one week's charges, which effectively requires them to maintain cash covering two weeks operations on deposit and replenish that supply weekend. Midway is currently operating under this arrangement. When the Accounts Receivable Procedures originally were adopted, the Authority elected not to apply the new payment security requirements to carriers that were then serving RDU and had established credit. Subsequently, two carriers requested and were granted exemption from that requirement. All other carriers operating at RDU have posted payment security and updated that security to reflect their current operations, with the exception of three carriers. Staff asked the Committee to consider whether or not a particular airline should continue to be relieved of the requirement to post payment security by reason of its "grandfathered" status. The Committee recommended including all carriers, without exemption, to comply with the policy of providing equivalent security to the Authority.

Member Winston made a motion, seconded by Member Sparrow, to direct staff to structure the requirements for posting security for payment of all tenant financial obligations at RDU, without exemption. Adopted.

**LAND & DEVELOPMENT COMMITTEE** – Member Teer reported the Committee met on June 20, 2002 and discussed the following item:

1. Consideration of Change Order No. 6 with Archer Western Contractors Limited for Parking Garage 4, RDU #070319. Senior Facilities Program Manager Quesenberry reviewed the terms of Change Order No. 6 with Archer Western Contractors, Ltd. for Parking Garage 4 and Airline Cargo & Warehouse Buildings. The change order resolves the value of miscellaneous additional

work items, including but not limited to, the provision of a field office for the engineering and construction management staff, construction of additional underground duct banks, implementation of temporary security measures to facilitate construction, installation of manholes for public utilities, and removal and disposal of contaminated soil. The contract sum will be increased by \$490,224.00 from \$105,281,034.19 to \$105,771,258.19. No change in contract time is authorized by this change order. The Committee recommended approval of the change order.

Member Teer made a motion, seconded by Member Toler, to approve Change Order No.6 in the amount of \$490,224.00 with Archer Western Contractors, Ltd. to resolve the value of miscellaneous additional work items related to Parking Garage 4 and Airline Cargo & Warehouse Buildings, RDU #070319.

Adopted.

**WORLDWIDE FLIGHT SERVICES AGREEMENT** – Airport Director Brantley reported on the terms of the License and Fuel Farm Operating Agreement with Worldwide Flight Services, Inc. The Agreement outlines the terms of operation on behalf of the Authority of the Aviation Fueling System, including Bulk Fuel Storage Tank Farm, Remote Fuel Pickup Facility, Terminal C Hydrant Fueling Loop, and connecting Fuel Pipelines on the airport side of the flange at which the Airport system is connected to the Colonial Pipeline Company fuel delivery pipeline. The term of the agreement is June 15, 2002 through March 31, 2004, continuing on a month-to-month basis unless terminated by either party upon 30-days prior written notice. Worldwide prepares and the Authority approves an annual operating budget (6½ months for 2002). Worldwide contains operating expenses within that budget on a month-by-month basis unless otherwise authorized by the Authority. Worldwide is reimbursed its direct operating expenses plus overhead and administration at 30% of direct expenses plus 10% of the sum of those amounts for gross profit based on monthly invoices. The average monthly operating expense over the past several years has been \$65,000-\$70,000 per month. Worldwide pays the Authority a license fee of \$100 per month in connection with the license granted it by the Authority to offer “into-plane” fueling services to air carriers (but not general aviation) using the Airport. Any capital improvements in the Fueling System that may need to be made must be separately proposed by Worldwide and authorized as to scope and amount by the Authority, whether the work is to be performed by Worldwide or by a contractor, prior to any work being done. It is expected that within the next year projects to update the Fuel Farm’s automatic operating controls, and to investigate and make any necessary repairs to the cathodic protection system that projects against corrosion and rusting will be undertaken. Staff recommended approval of the renewal agreement.

Member Teer made a motion, seconded by Member Winston, to approve the License and Fuel Farm Operating Agreement with Worldwide Flight Services, Inc.

Adopted.

**ENCROACHMENT AGREEMENT** – Senior Program Manager Quesenberry reported on the Encroachment Agreement between the Authority and the N.C. Department of Transportation to allow construction of the planned I-40/Aviation Parkway Interchange improvements. The work primarily involves curb and gutter, pavement widening and storm drainage. Staff recommended approval of the encroachment agreement.

Member Winston made a motion, seconded by Member Toler, to approve the Right of Way Encroachment Agreement with the N.C. Department of Transportation to allow construction of the planned I-40/Aviation Parkway Interchange improvements.

Adopted.

**PRESENTATION** – Thad Woodard and Ben Taylor presented a PowerPoint presentation outlining a proposal of the TRIANGLE ICON & EVENT 2003. The 100<sup>th</sup> anniversary of powered flight will be celebrated December 17, 2003. The proposed ICON will be the First in Flight Monument at RDU to be dedicated on the day of the 100<sup>th</sup> anniversary to serve as a memorial to the first powered flight and to symbolize the challenge to future generations. The Authority will not provide funds for this monument. The monument will be placed in an exterior location, near the roadway interchanges into the airport entrances, where it will be easily seen by travelers. The Authority will appoint an internal committee to review the matter and report back to the Authority at next month's meeting.

**MEMBER COMMENTS/REPORTS** – Member Teer thanked staff for lunch today and commented on the beautiful new maintenance building. Member Clancy said the new facility is state-of-the-art and the Authority should be very proud of it. Member Winston said it was a great idea to have lunch at the new building.

**GENERAL COUNSEL'S REPORT** – Attorney Tatum reported that a tremendous amount of staff's time and effort went into closing the deal between American Airlines and the Authority.

Deputy Directory Finance, Business and Administration Gill reported that sale of the bonds went very well. Thirty million dollars went to primarily three buyers, with Bank of America being the major purchaser. Thanks very much to the Local Government Commission for all its assistance in executing the closing of the bond sales. Director of Finance Barritt thanked the staff of Paine Webber for their outstanding work.

#### **AIRPORT DIRECTOR'S REPORT –**

- June 15, 2002 represents the 15-year anniversary of the opening of the American Airlines hub. It also the date of the Authority's official acquisition of Terminal C leasehold. Airport Director Brantley thanked the maintenance staff for all their help with the building.
- America West began service at RDU on May 31, 2002. The airline, which first announced service to RDU last year, will offer two daily departures to Phoenix and one daily departure four days a week to Las Vegas.
- American will add three additional flights to Boston beginning August 1.
- The expansion of the Federal Express building in the north cargo area is now underway.
- Enplaned passengers for May 2002 totaled 402,223 versus 473,788 for May 2001 for a 15.1% decrease. Year-to-date 2002 enplaned passengers totaled 1,709,966 versus 2,164,883 for year-to-date 2001 for a 21.0% decrease.
- Deplaned passengers for May 2002 totaled 396,432 versus 462,869 for May 2001 for a 14.4% decrease. Year-to-date 2002 deplaned passengers totaled 1,713,683 versus 2,186,196 for year-to-date 2001 for a 21.6% decrease.
- Enplaned air cargo for May 2002 totaled 8,359,211 pounds versus 10,677,704 pounds for May 2001 for a 21.7% decrease. Year-to-date 2002 enplaned air cargo totaled 39,951,613 versus

53,801,393 for year-to-date 2001 for a 25.8% decrease.

- Deplaned air cargo for May 2002 totaled 10,908,540 pounds versus 10,676,127 pounds for May 2001 for a 2.2% increase. Year-to-date 2002 deplaned air cargo totaled 50,627,612 versus 53,391,695 for year-to-date 2001 for a 5.2% decrease.
- Weekday scheduled flight departures for May 2002 totaled 231 versus 309 for May 2001 for a 25.3% decrease.
- Aircraft operations for May 2002 totaled 21,990 versus 25,940 for May 2001 for a 15.2% decrease. Year-to-date 2002 aircraft operations totaled 102,261 versus 125,368 for year-to-date 2001 for an 18.4% decrease.
- The number of vehicles exiting the terminal area public parking lots during May 2002 totaled 177,501 versus 220,716 for May 2001 for a 19.6% decrease. Year-to-date 2002 number of vehicles exiting the terminal area public parking lots totaled 773,083 versus 974,476 for year-to-date 2001 for a 20.7% decrease.
- The number of taxicab trips taken during May 2002 totaled 11,937 versus 12,137 during May 2001 for a 1.7% decrease. Year-to-date 2002 number of taxicab trips totaled 58,890 versus 58,795 for year-to-date 2001 for a .2% increase.

**ADJOURNMENT** - There being no further business, Chairman Gibbs adjourned the meeting.

Respectfully submitted,

J. Ray Sparrow, Secretary

CORRECT ATTEST:

Kenneth D. Gibbs, Sr., Chairman